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USAID Project #388-06-MA-D-S012-002

Rural Electrification Development Program (REDP) Quarterly Report October - December 2009



CONTENTS

<u>Section</u>	<u>Title</u>	<u>Page</u>
ABBREVIATIONS		III
EXECUTIVE SUMMARY		IV
SECTION 1: INTRODUCTION		1
1.1 Background to the Rural Electrification Development Program (REDP)		1
1.2 The primary objectives of REDP managed by NRECA		2
1.3 PBSs Targeted for Assistance under REDP		2
1.4 Project Team		5
SECTION 2: KEY ISSUES		6
2.1 Power Shortage		6
2.2 Bid Evaluations		9
2.3 Retail Power Rate Increase		9
2.4 Moratorium		10
2.5 Additional Training		10
SECTION 3: MATERIALS PROCUREMENT		11
3.1 Materials Procurement		11
3.2 Materials Procurement – Second and Third Tranches		16
SECTION 4: MONITORING OF MATERIALS USAGE		18
4.1 Monitoring Methodology		18
4.2 Progress		18
SECTION 5: SOCIO ECONOMIC STUDY		20
5.1 Background		20
5.2 Progress		20
5.3 Micro-Finance Credit Program for the Poor		20
SECTION 6: PBS MEMBER AWARENESS EDUCATION AND BOARD DEVELOPMENT PROGRAM		21
6.1 Background		21
6.2 Progress		21
SECTION 7: REDP FINANCIAL		29

ABBREVIATIONS

BERC	Bangladesh Energy Regulatory Commission
BPDB	Bangladesh Power Development Board
BSTI	Bangladesh Standards and Testing Institute.
CAP	Country Assistance Plan (DFID)
CFR	Cost and Freight (Incoterm)
CIF	Cost, Insurance and Freight (Incoterm)
CPT	Carriage Paid To (Incoterm)
DFID	United Kingdom Department for International Development
ESW	Enhanced Scope of Work
GBP	Pound (Sterling)
GOB	Government of Bangladesh
GOB PPR	Government of Bangladesh Public Procurement Regulations
HDRC	Human Development Research Centre
IPP	Independent Power Producer
MAEBD	Member Awareness / Education Board Development
MDG	Millennium Development Goals
MIS	Management Information System
MOF	Ministry of Finance
MPENR	Ministry of Power, Energy and Mineral Resources
MW	Megawatt (1000 kW)
NGO	Non-governmental organisation
NRECA	National Rural Electric Cooperative Association
PBS	Palli Bidyut Samity (Rural Electricity Cooperative)
PDB	Power Development Board
PKSF	Palli Karma Sahayak Foundation
PPR	Public Procurement Regulations
REB	Rural Electrification Board
REDP	Rural Electrification Development Program
SPG	Small Power Generation
TOR	Terms of Reference.
USD	United States Dollar
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

During the period of October through December 2009, progress on the REDP picked up pace with the addition of local staff and the identification of international specialists. The procurement monitoring and assistance provided to REB as well as the Master Plan and Construction Plan verification through field inspection are nearing completion. Continued progress was made on the Socio-economic evaluation as the “Brahmanbaria Micro-finance Pilot Project” data collection was completed. We have revised the member awareness / education program and developed an ambitious schedule in an effort to hold workshops in all 70 PBSs by the end of the year. New board development and member services strengthening programs were developed with pilot programs taking place in December.

Also during this quarter we participated in the DFID program review which included a field visit for program officials. We also sponsored a booth and a REDP information presentation at the US Embassy sponsored America Week. And, as always, we continue to hold meetings with key officials at REB including the Chairman and Board Members to inform them of our activities and request input on how best to serve their needs.

Key issues affecting the program include; continued power shortage (load shedding), the BERC approved retail rate increase which only covered a portion of the PBSs wholesale power costs, the incorporation of new local staff and the developing issue of numerous requests by our audiences for the delivery of more and more information.

In the procurement plan of 10Lac project there was a provision for procuring 650,000 single-phase meters and 20,000 three-phase meters. REB recognized that the immediate need was for more single-phase meters and requested NRECA to initiate conversations with DFID for the consideration of such a change in procurement. Information supporting the revision was presented to DFID and they agreed with the proposal. REB is revising the project proforma of 10Lac project for Energy Ministry approval. The meter procurement is now scheduled be last item secured with DFID funds under the 10Lac project.

In the area of staffing to meet the requirements of the Enhanced Scope of Work, we were fortunate to be able to hire highly qualified local staff for our communications and graphics arts efforts and we successfully obtained USAID approval for our nominations for the human resources and communication specialists consulting positions. Mohammad Y. Malik Sakil (“Sakil”) our HR specialist, made his first visit to Bangladesh as part of our REDP team December 15-25.

Understanding the need to make changes in the Member Awareness / Education program to accommodate other programs and personnel, the entire REDP team spent time reviewing the program, offering suggestions for reduction of time and content and overall revisions to the program to meet today’s program needs. We also made revisions to the letter of information for the PBS to select an appropriate venue for the presentation and make the necessary arrangements for the meeting.

During the quarter fifteen member awareness / education workshops in five PBSs were presented with 807 participants of whom 81 were female. The 100th presentation was held at Comilla PBS-2 the location of a pilot test for the program several years ago.

Staff completed the course materials including outline, presentation, handout and proposed schedule for Strengthening the PBS Board of Directors and Member Service Departments programs (two separate sessions). The programs are targeted specifically with information that the Board and Member Services Department employees need to know to better serve the members. The course material comes directly from REB By-laws, ordinances, circulars, and policies. Five pilot programs were held with twelve PBSs attending and total participation equaling 266 board members and employees.

To address the additional communication improvement tasks identified in the Enhanced Scope of Work staff continues to evaluate the role of the Village Advisors in the RE program and develop a plan to best utilize the current communication network along with developing new ideas and methods to help the PBSs become proactive in this area. These specific programs will focus will focus on members (not “elites”) in the thanas and may include market day activities.

Our gender specialists held conversations with the REB training directorate regarding a gender awareness workshop for REB and the PBSs. A white paper regarding gender awareness and electricity, energy use and delivery organizations such as the PBSs was prepared and discussed. A draft of gender awareness guideline handout (in Bangla) was also developed.

Our gender specialists also worked with representatives from Brahmanbaria PBS and Padakep NGO to identify personal stories of how the lives of the micro-credit financing program recipients changed with the addition of electricity into their lives.

We participated in USAID’s America Week was held in Rajshahi December 6-8. More than 2,000 REDP pamphlets were distributed during the week and attendance was estimated at 5-6,000. Staff also presented a PEDP information program in the workshops held during the week.

The DFID Program Review was held during the months of October and November. We met with Penny Davies and Michelle Edwards of DFID to complete the “office portion” of the 2009 REDP review. We reviewed each of the three major tasks associated with REDP and provided them with detailed reporting on the status of various tasks. On November 9th REDP staff accompanied Ms. Davies and Ms. Edwards to Brahmanbaria PBS to complete the “field portion” of the 2009 REDP review. A tour of the PBS warehouse facilities was arranged and several DFID funded construction sites where visited though the course of the inspection.

In summary the principal achievements during the reporting period were:

- NRECA coordinated the efforts to revise the procurement of meters to better address the needs of REB.
- We reported to four PBSs the results of our monitoring of construction quality and comparing this work with REB standards.
- Mohammad Y. Malik Sakil (“Sakil”) our HR specialist, made his first visit to Bangladesh as part of our REDP team December 15-25.
- Revised Member Awareness / Education PowerPoint presentation and participated in fifteen member awareness / education workshops at five PBSs
- Completed the course materials including outline, presentation, handout and proposed schedule for Strengthening the PBS Board of Directors and Member Service Departments programs (two separate sessions) and presented five pilot programs to twelve PBSs
- We participated in and worked alongside the REB Training Directorate on a five day orientation training program for PBS Board of Directors
- Began efforts to evaluate the role of the Village Advisors in the RE program and develop a plan to best utilize this current underutilized communication network
- Worked with REB training directorate regarding a gender awareness workshop
- Our gender specialists also worked with representatives to identify personal life changing stories following the receiving of electric service
- Participated in DFID 2009 REDP program review and US Embassy sponsored America Week

SUMMARY PHYSICAL PROGRESS / DFID FUNDED PROJECTS					
TASK A – SUPERVISION AND MONITORING - PROCUREMENT					
Project Name	Closing Date	Component / Work	Target	Progress Dec. 09	Remarks
9 PBS	Extended to June 2010	Line Construction, km	8,000	7,918	
		Line Renovation, km	2,000	1,231	
		Consumer Connections	250,000	156,535	Facilities created for 395,708 consumers
10 Lac	June 2010	Consumer Connections	1,000,000	225,801	Of the 225,801 cons. connected, 20,620 are commercial & irrigation
67 PBS	Closed in June 2008	New Construction and Renovation, km	13,000	12,397	
		Consumer Connections	100,000	259,823	Facilities Created for 580,524 consumers
Master Plan & Construction Verification	December 2010	Field Inspection & Data Collection for Sample Construction Projects	9 PBS	9 PBS	Field data collected analyzed and results provided to the PBSs
TASK B – MEMBER AWARENESS & BOARD DEVELOPMENT PROGRAMS					
Sub-Task B.1 Expanded Assistance for PBS Member Education					
Project Name	Closing Date	Component / Work	Target	Progress	Remarks
Member Awareness Building	December 2010	Member Awareness Workshops Implemented in 50% of PBSs	35 PBS	33 PBS and REB	101 MAE Workshops 5,048 participants, 510 female participants.
Member Awareness Building	December 2010	Workshops for PBS Member Services Dept.	35 PBS	12 PBS 140 Participants	Pilot program for 7 PBSs
		Village Advisors – Member Education	9 PBS	Under Evaluation	
Women's Participation	December 2010	Women Participation in AGM at 9 PBS increased 5%	TBD	Working with REB Training Directorate	Staff added in Sept. '09 – Visiting PBSs – Baseline Determination 2/10
Sub-Task B.2 Expanded Assistance for Board Development					
PBS Director's Accountability	December 2010	New PBS Board Member Development Orientation Training – 5 day workshops for 50% of new board members elected in past 2 years	149 New Board Members elected in 2007-20090	327 total participants 85 (26%) female participants	16 Five-day workshops with 68 PBSs represented
PBS Director's Strengthening	December 2010	PBS Directors Strengthening program completed in 50% of PBS	35 PBS	12 PBSs 272 total participants 28 (10%) female	Pilot program for 7 PBSs - 95% Board Participation
TASK C – SOCIO-ECONOMIC PROGRAM EVALUATION					
Socio-Economic Program Evaluation	December 2010	Program Evaluation	9 PBS	Mid-term evaluations being planned	Brahmanbaria Micro-finance data collection completed

Rural Electrification Development Program Quarterly Report

October through December 2009

SECTION 1: INTRODUCTION

1.1 Background to the Rural Electrification Development Program (REDP)

The REDP is five year program of activities designed to support the continued development of REB program management capacity, and to support improvements of selected PBS electric distribution systems that are part of the REB rural electrification program in Bangladesh. REDP was designed to provide support for electricity network expansion and intensification within the Second Rural Electrification Master Plan (2000-2020). Support provided directly to REB through DFID funding will finance up to 1.35 million new electricity connections to households and rural businesses, directly benefiting approximately 10 million people. The original REDP/DFID program included a micro-finance component to enable poorer and female led households along with small businesses to cover the connection charge and develop new income earning opportunities. Unfortunately, for a number of reasons, the micro-finance portion of REDP was limited to a pilot program in Brahmanbaria PBS.¹

In an effort to stimulate economic growth, reduce poverty and improve the quality of life in rural and peri-urban Bangladesh, REDP focuses on increasing access to affordable and sustainable electric services. Outputs include: 1) Increasing the number of customers using and paying for electric service within existing distribution areas; and, 2) Increasing the number of poor people receiving electric service providing for income generating opportunities.

The overall REDP programme cost is £ 161 million with the GOB contributing £ 122 million through the Annual Development Programme (ADP). The original DFID contributions to the REDP program totalled approximately £ 50 million (\$87.6 million USD). With the devaluation of the British Pound Sterling the contribution amounts have been reduced slightly. Of the total, DFID is contributing approximately \$ 58.6 million to finance electric system expansion and improvement. Funding is also provided for program management, supervision and monitoring (\$ 1.49 million); and education and awareness building (\$ 1.49 million). NRECA International was contracted by DFID through USAID to design and manage the REDP work program with a total life of project budget of \$2.99 million.

On June 24, 2009 Contract Modification #4 – Enhanced Scope of Work was signed. Based on the findings of the REDP Annual Reviews, the REDP ESW calls for the expansion of activities under Task B entitled “Member Awareness/Education and Board Development Programs”. To provide additional detail, Task B has been divided into two Sub-tasks, as follows:

REDP Sub-Task B.1: Expanded Assistance for PBS Member Education

REDP Sub-Task B.2: Expanded Assistance for Board Development

Sub-Task B.1 will focus on improving PBS member awareness with respect to rights and responsibilities. Sub-Task B.2 will provide additional training and guidance to support development of PBS Boards. Both activities will promote improved governance within the Bangladesh RE Program and are supported by an additional grant of \$1.95 million.

This is the 15th in a series of quarterly reports, providing a summary of activities, progress, and issues for the period October through December, 2009.

¹ The Micro-finance portion of the REDP program was discontinued December 31, 2008.

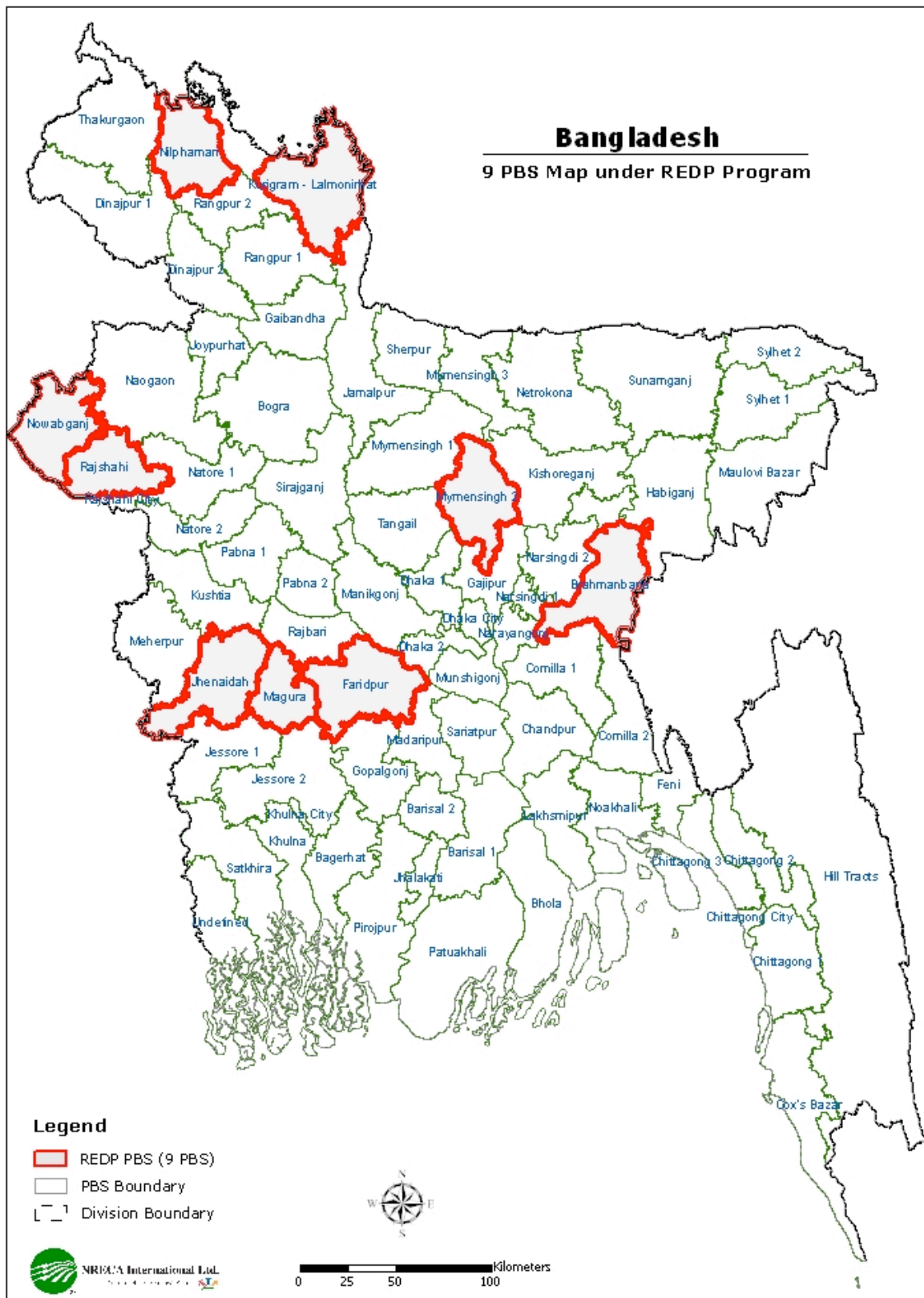
1.2 The primary objectives of REDP managed by NRECA

- To verify that material selection by REB is consistent with REDP requirements and the procurement process is in compliance with GOB Public Procurement Policy 2003.
- To review REB bid evaluation processes, providing concurrence when required/requested; to assist REB to retender and re-evaluate unacceptable bids, and, to participate in pre-delivery inspections of materials and pre-contract factory inspections, whenever necessary.
- To monitor and substantiate that materials purchased under REDP are used in accordance with REB Master Plan, REDP investment requirements and, the PBS Construction Work Plans.
- Support ongoing implementation of member education programs by enhancing the capability of the PBS personnel to establish a sustainable education training program for Board Members, Village Advisors and PBS Members.
- Work with the REB Training Directorate and PBS personnel to “institutionalize” delivery of member education programs through village meetings and direct involvement of Village Advisors.
- Design and provide program support for the training of newly elected PBS Board Members using the courses, “Orientation to RE Program” and “Understanding the Financial Reports.”
- Establish baseline socio economic data for REDP areas, effect socio-economic surveys within REDP areas midway and on completion of REDP to include a full report on the socio-economic influence of REDP.
- Present quarterly progress reports and thematic reports on REDP activities and challenges

1.3 PBSs Targeted for Assistance under REDP

While the REDP was designed to provide support for the rural electrification countrywide, the program contained targeted support to nine PBSs. The nine PBSs were identified during the REDP design phase as PBSs providing electric service to more marginal, less affluent rural communities, with consequently lower revenue generating potential. The nine REDP PBSs are: Brahmanbaria, Faridpur, Jhenaidah, Kurigram-Lalmonirhat, Magura, Mymensingh-2, Nilphamari, Nowabganj, and Rajshahi. The map and chart on the following pages describe the 9 PBSs.

1.3.1 Map - PBSs Targeted for Assistance under REDP

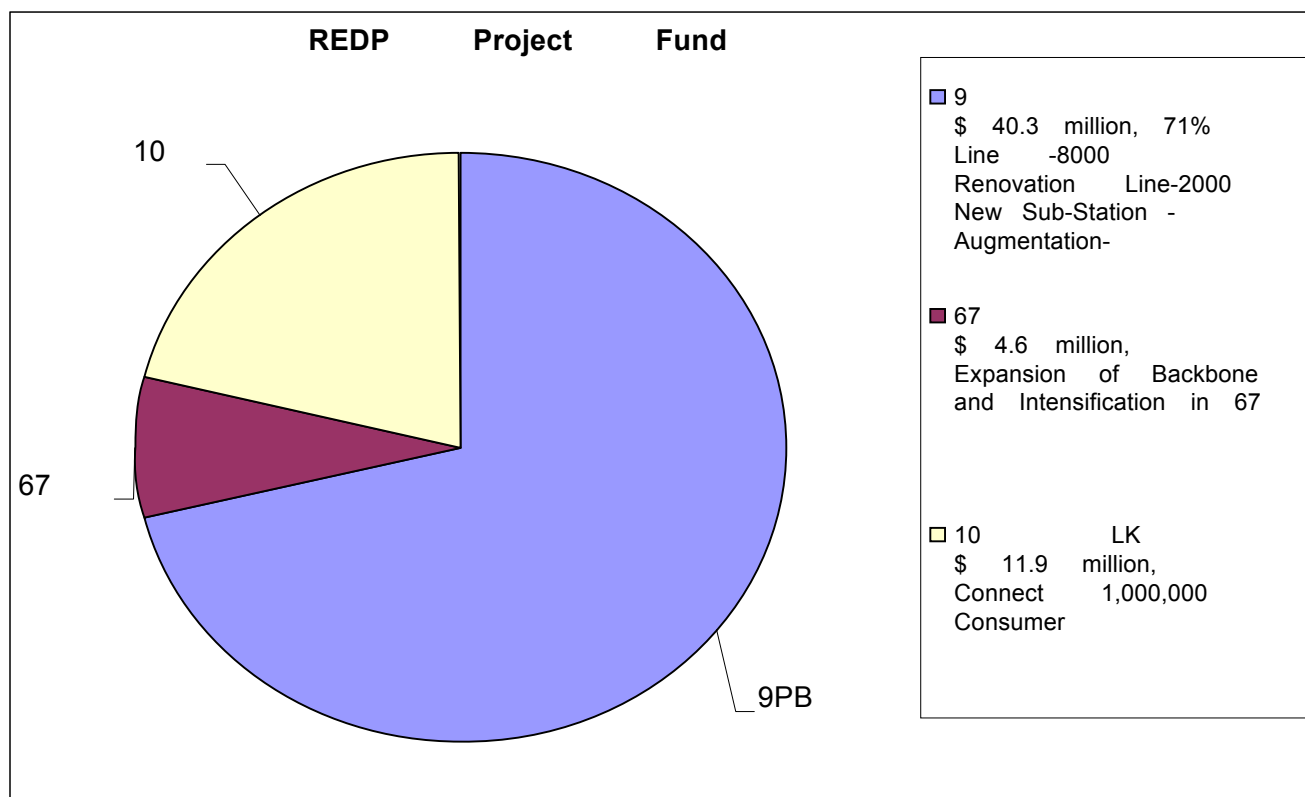


REDP REPORT

October - December 2009

Name of PBS	Name of Thana	Name of District	Area (Sq.Km.)	No. of Villages	Population	Name of PBS	Name of Thana	Name of District	Area (Sq.Km.)	No. of Villages	Population
Rajshahi	Boalia	Rajahahi	96.68	-	294,056	Nawabgonj	Bholahat	Nawabgonj	123.52	91	70,507
	Durgapur	Rajahahi	195.03	122	137,640		Gomastapur	Nawabgonj	318.13	235	191,972
	Godagari	Rajahahi	472.13	396	217,811		Nachole	Nawabgonj	283.68	190	97,119
	Mohanpur	Rajahahi	162.65	154	126,396		Nawabgonj	Nawabgonj	451.80	192	389,524
	Paba	Rajahahi	280.42	261	213,379		Shibgonj	Nawabgonj	525.43	367	422,347
	Tanore	Rajahahi	295.39	207	138,015	Mymensingh-2	Bhaluka	Mymensingh	444.05	102	264,991
Brahmanbaria	Akhaura	Brahmanbaria	99.28	125	112,982		Gafargaon	Mymensingh	401.16	218	379,803
	Banchhampur	Brahmanbaria	217.38	118	258,371		Trishal	Mymensingh	338.98	160	336,797
	Brahmanbaria	Brahmanbaria	495.85	398	659,449		Sreepur	Gazipur	465.24	186	320,530
	Kashba	Brahmanbaria	209.76	236	243,833	Magura	Magura	Magura	406.50	252	286,925
	Nabinagar	Brahmanbaria	353.66	198	378,539		Mohammadpur	Magura	234.29	182	160,340
	Nasirnagar	Brahmanbaria	311.66	129	234,090		Shalikha	Magura	228.64	118	132,291
Jhenaidah	Sharail	Brahmanbaria	239.52	146	254,481		Sreepur	Magura	179.18	160	144,471
	Harinakunda	Jhenaidah	227.19	129	162,078	Faridpur	Alfadanga	Faridpur	136.00	118	90,873
	Jhenaidah	Jhenaidah	467.75	283	333,192		Bhanga	Faridpur	216.34	227	214,702
	Kaligonj	Jhenaidah	310.16	196	219,126		Boalmari	Faridpur	272.34	255	190,159
	Kotchandpur	Jhenaidah	165.66	79	107,193		Char Bhadransan	Faridpur	141.59	129	69,876
	Maheshpur	Jhenaidah	416.96	194	246,350		Faridpur	Faridpur	407.02	298	335,386
	Shailkupa	Jhenaidah	373.42	258	293,341		Madhukhali	Faridpur	230.20	238	165,438
Kurigram	Bhurungamari	Kurigram	236.00	124	176,822		Nagarkanda	Faridpur	379.02	335	267,193
	Chilmari	Kurigram	224.97	152	100,516	Nilphamari	Sadarpur	Faridpur	290.21	287	172,059
	Fulbari	Kurigram	163.63	165	129,668		Dimla	Nilphamari	327.00	58	160,000
	Kurigram	Kurigram	276.45	256	217,311		Domar	Nilphamari	251.00	47	152,000
	Nageshwari	Kurigram	415.30	367	279,775		Jaldhaka	Nilphamari	326.00	77	199,000
	Rajarhat	Kurigram	166.23	180	158,648		Kishoreganj	Nilphamari	265.00	130	202,000
	Ulipur	Kurigram	504.19	418	345,205		Nilphamari	Nilphamari	351.00	107	242,000
Total Area (Square km)			15,371			Total Population			11,696,570		

The Following Pie Chart Illustrates the DFID Funding Contribution for Material Procurement Identified by Projects - 9PBS, 67 PBS & 10 Lac (1 million consumers) - \$ 56.8 million



1.4 Project Team

The NRECA project team assigned to support REDP includes the following team members, by position:

Person	REDP Duties	Tenure
Robert O. Ellinger	Chief of Party	Full Time
James VanCoevering	Engineering Director	Part Time
Judith A. Burnett	Co-op Institutional Advisor	Full Time
Md. Hasibur Rahman	Project Engineering	Full Time
Ali Al Islam Khan Maruf Hasan Bhuiyan	Project Engineering	Part Time
Md. Shafiquzzaman	Project Engineering	Part Time
Zakir Hossain	GIS Team	Part Time
Narayan Chandra Saha	Education and Training Specialist	Full Time
ABM Ali Hossain Syed Nurul Islam	Board and Institutional Development Specialists	Full Time
Brig. M.A. Malek (Rtd.)	PBS Board / Member Development Consultant	Part Time
Ruh Afza Ruhi Shahana Jannat	Gender Specialists	Full Time
Reza Khasru Shajedul Karim	2-Program Support	Full time
Mohammad Y Malik Sakil Bradley Gibson TBD	HR Specialist Communications Specialist Board Dev. Specialist	Contracted Part Time
Shital Krishna Das	Socio Economic Consultant	Contracted Part Time

SECTION 2: KEY ISSUES

2.1 Power Shortage

As has been the case for the past several years, the shortage of power dominates the operation of all PBSs and continues to exacerbate public discontent with REB and the PBSs. Due to the importance of this issue with respect to PBS viability and service quality, because of its overall importance and relevance to the REDP we will continue this discussion in this Quarterly Report.

PBSs continued to experience power supply curtailments during the reporting period. The shortage of power, particularly at peak demand periods, and resulting load shedding affected all PBSs in the REB program. Maintenance issues at aging PBD power stations contribute significantly to the frequency of outages. Load shedding is most problematic during peak hours throughout Bangladesh, but also occurs during off-peak hours in selected PBSs. Until the necessary steps are taken to increase available capacity, load shedding will continue to negatively impact the RE Program and consequently deleteriously affect productivity of REDP interventions.

Power generation needs are a high priority of the new government. However, the lead time from project inception to completion is well over thirty six months for large, central station power plants, with estimated capacity deficits estimated in the range of 1,500MW – 2,000MW. Additional capacity is needed to serve load growth, with the balance required to replace aging plants the efficiencies of which continue to deteriorate with the resulting output being well below the installed capacity.

The inability of Petrobangla (nationally owned gas transmission and distribution company) to provide an adequate supply of gas to fuel the gas-fired plants is also seriously contributing to the power shortage. Declining production in some existing gas fields and “non-existent” pipeline regulation has reduced the availability of gas supply to the power plants, thus requiring plants to reduce power production. Exploration and development of new gas fields has not kept pace with the demand for gas supply. The limited capacity of the gas transmission/distribution system has also contributed to the power crisis. Gas rationing has been and continues to be employed to maintain existing reserves and to help make gas available for power at the newer power plants that are more efficient. In a positive development, Chevron was one of two companies recently awarded an exploration contract for several off-shore natural gas fields to determine capacity and reserves. Chevron is also working with Petrobangla to install compressor station(s) at key distribution system locations across the country.

In addition to scheduled load shedding during hours of peak demand, off-peak load shedding also occurs when system outages are triggered due to low system frequency in PBS areas. Frequent power outages and power quality issues are the cause of recurring difficulties for industrial and commercial operations, particularly export manufacturing processes that require continuous production and are subject to prolonged restart schedules after a power curtailment.

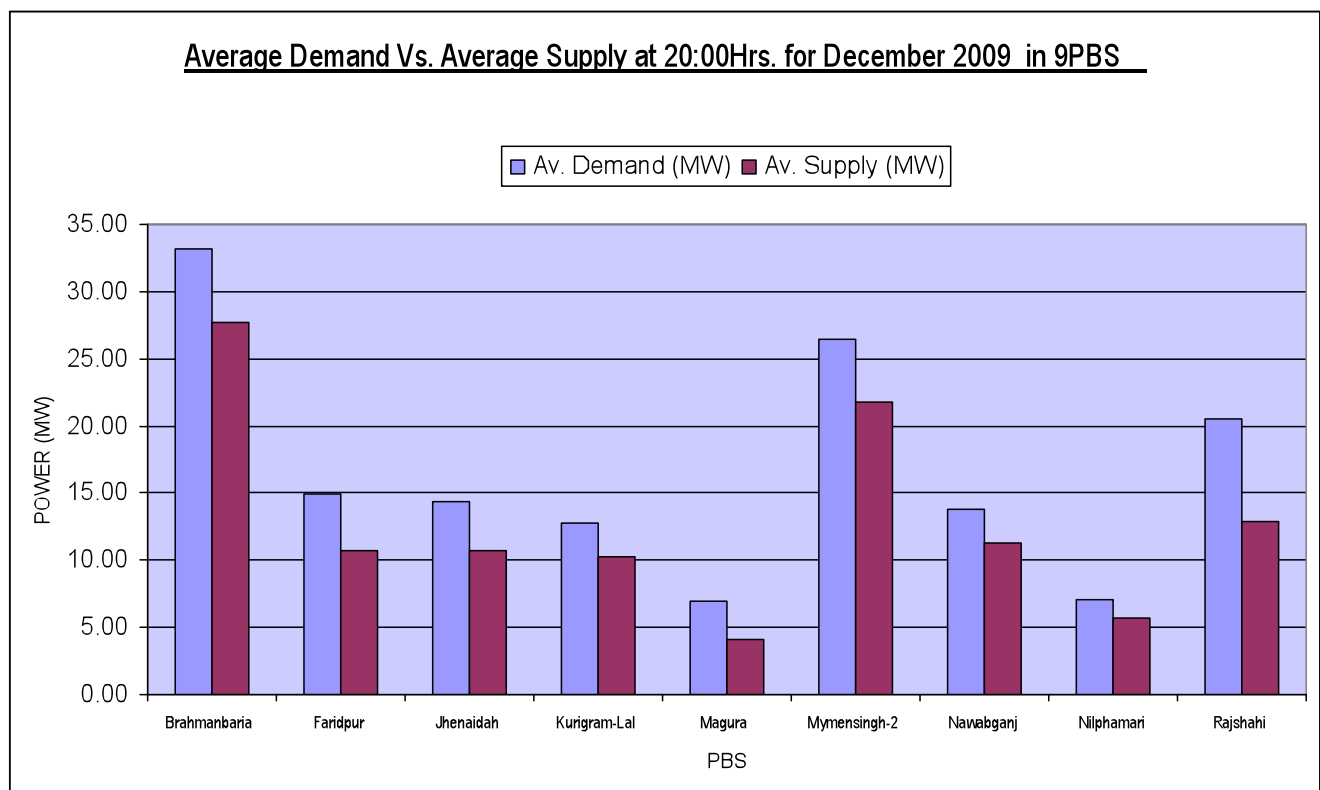
Taken as a whole, scheduled outages during system peaks, and unscheduled outages have introduced substantial and increasing frustration on the part of PBS members, and financial hardship for both PBS consumers, and for the PBSs themselves. PBS revenue is derived primarily through the sale of electricity, so as power availability is reduced, revenue decreases in nearly a direct proportion. Moreover, the less reliable the power supply, the more difficult it becomes for PBS staff to collect revenues from PBS membership.

Most PBSs sell over 85% of the commercialized electricity to low income, residential (“domestic”) customers. These PBSs have been extremely challenged to meet operating costs, resulting in delayed repayments to REB. In those PBSs that have relatively higher sales to industrial and commercial customers, the financial hardships are not as acute, but even the largest PBSs and those that have historically most healthy, it has become significantly more challenging to balance costs with sufficient revenue. Serving to complicate this issue is the BERC’s decision to allow increases in the wholesale power rates being charged without a corresponding retail rate increase.

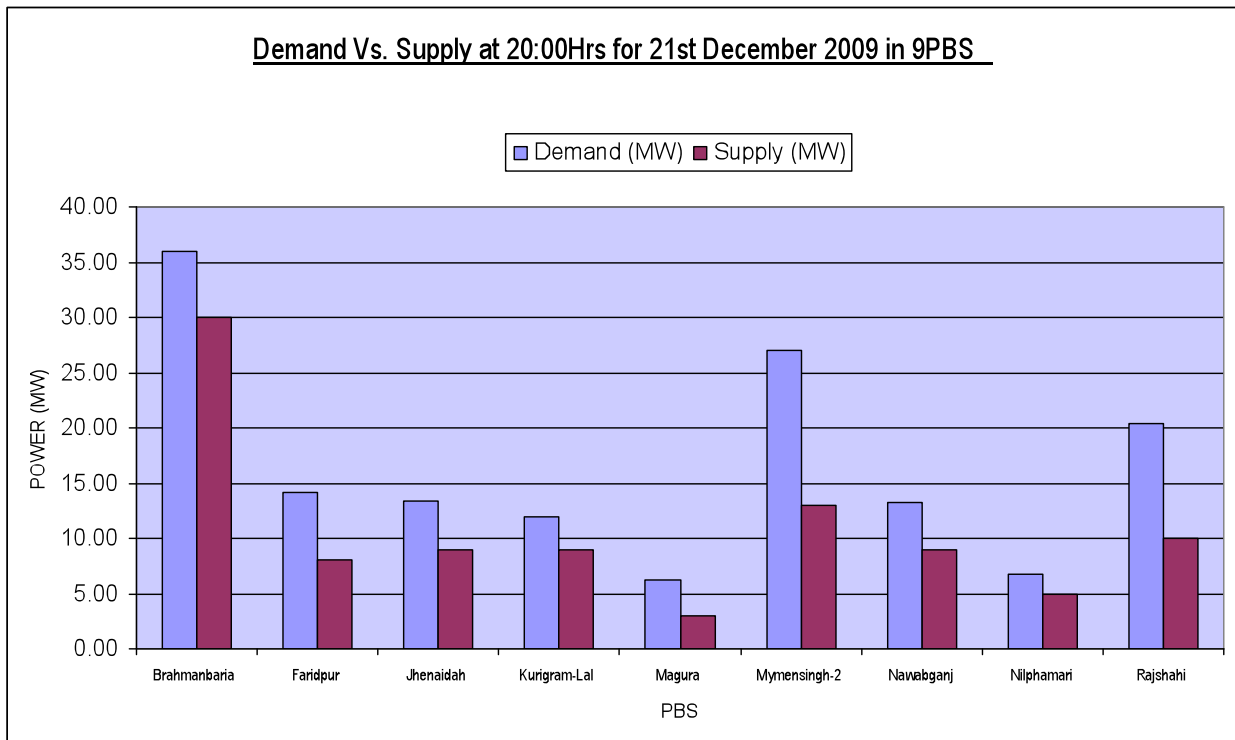
In the 9 PBSs participating in REDP, REB data reveals that while the demand is remaining steady there has been an increase of incidents of load shedding in all but one of the PBSs when compared with December 2008. As can be seen from the graph shown in Illustration 2.1.4, Magura PBS experienced the highest average load shedding of 41% of the demand during peak hours of load for December 2009. Average load shedding for the other PBSs varied from 16% (at Brahmanbaria) to 37% (at Rajshahi). Overall daily load shedding was noted to be very high on December 21 (illustration 2.1.2). For this date Magua and Mymensingh-2 PBSs experienced load shedding as high as of 52% followed by Rajshahi (51%), Faridpur (44%), Jhenaidah (33%), Nawabganj (26%) and Kurigram (25%). Brahmanbaria, however, had a load shedding of 16% which is equal to its monthly average.

The following graphs illustrate the load shedding situation in the 9 PBSs of REDP.

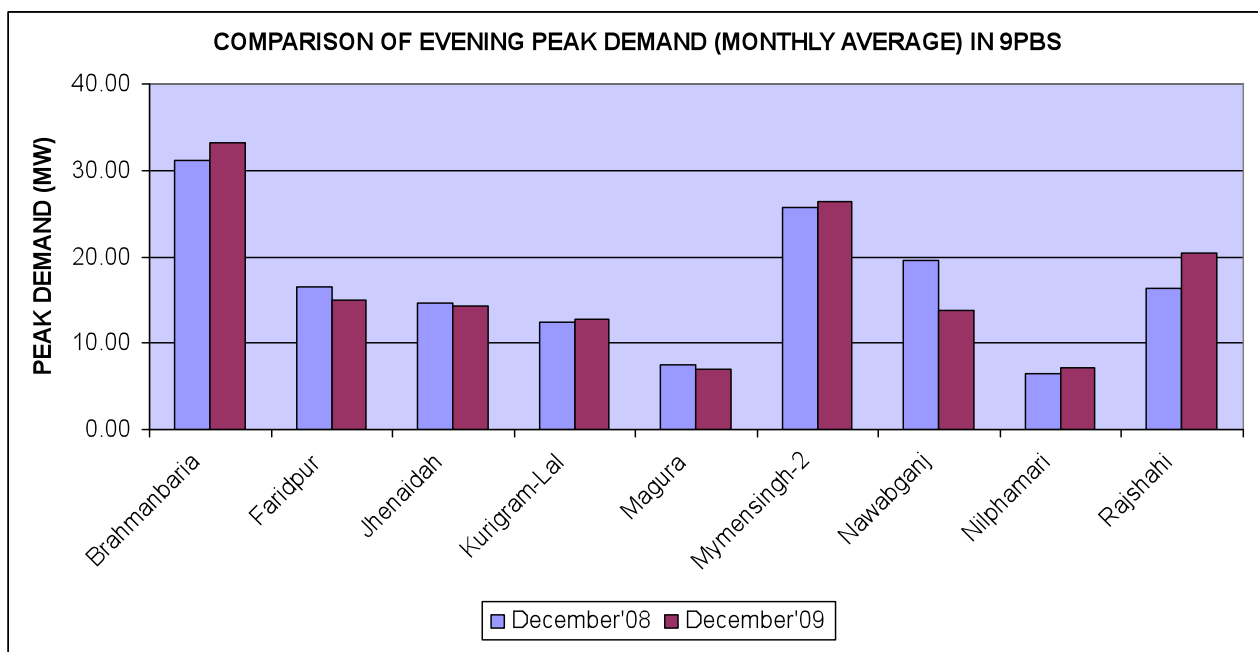
Graph 2.1.1 Average Demand and Supply at 20:00 Hrs in December 2009:



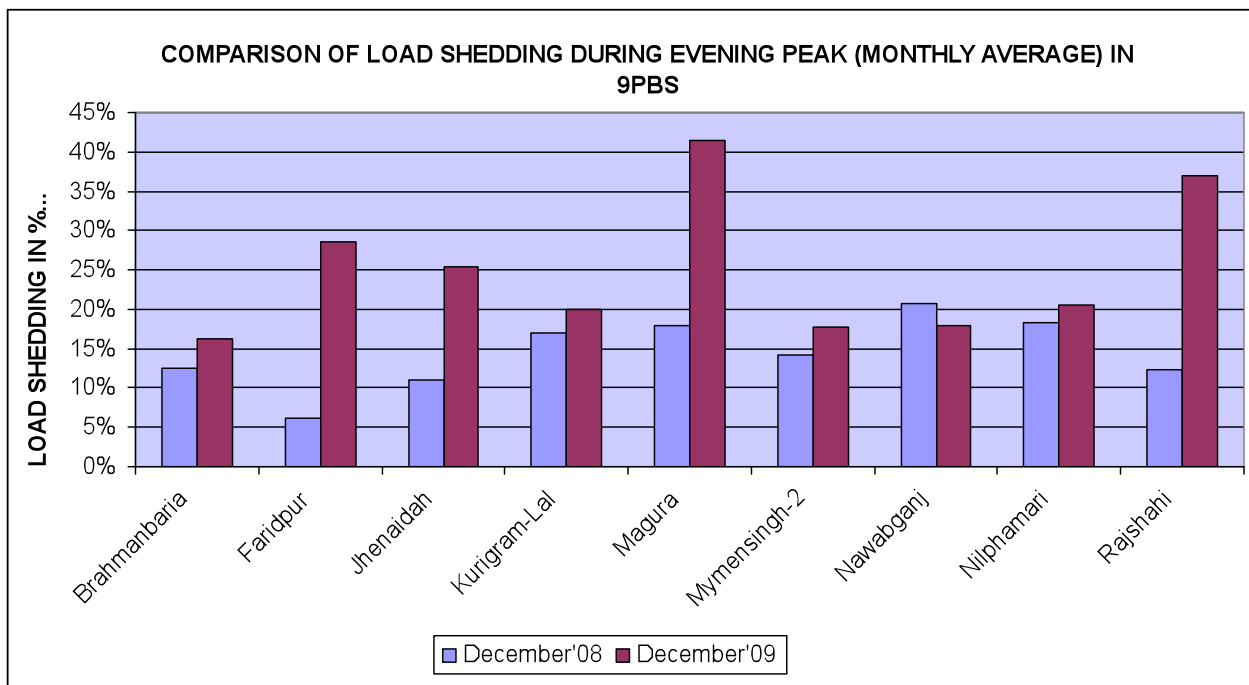
Graph 2.1.2 Peak Demand and Supply at 20:00 Hrs 9 PBS on December 21, 2009:



Graph 2.1.3 Shows variation of evening peak demand with last year in 9PBS



Graph 2.1.4 Variation of Load Shedding during evening peak with last year in 9PBS



2.2 Bid Evaluations

During the review period REDP continued to focus significant effort to expedite the evaluation and selection process of bid packages, while fully complying with GOB procurement regulations. Although the review and approval process was not explicitly defined in the DFID/GOB agreement, REB has consistently sought NRECA approval of the tender process, seeking “no objection” or “concurrence” to the bid selection/award process.

It is worth noting that, final indication of “no objection” for bid packages has been granted only after clarification has been received and processed for proposals that have been deemed questionable in content. Once clarifications are presented and consultations with REB resolve pending issues, approval via notification of “no objection” has been forwarded by the REDP/NRECA review team.

The due diligence process has resulted in some delays in the bid evaluation process. However, the results of this process but have illustrated to REB the importance of systematic and thorough due diligence of bid specifications.

2.3 Retail Power Rate Increase

It was announced that the Bangladesh Energy Regulatory Commission (BERC) moved to approve a retail rate increases for the PBSs averaging 6.5%. The new rates become effective December 1, 2009. For the residential consumer class the rate adjustments will range from less than 3% for minimum usage accounts to 13% for accounts using more than 500 kWh. Commercial and Industrial customers will see an average rate increase of 9.5%. The retail rate increase will provide some rate relief to REB and the PBSs who have endured a tremendous financial hardship in trying to cover the

expense associated with an increase in the wholesale power rate tariff since October 2008. Unfortunately for many of the PBSs the approved rate is not enough to fully cover their wholesale power costs and they will continue to experience a serious cash flow deficit.

2.4 Moratorium

A moratorium against providing new connections to various categories of PBS consumers, including most households, was finally lifted by the Power Division within the Energy Ministry in June 2008. During the moratorium the Ministry's position was to simply instruct REB to stop the PBSs from making new connections as a means of controlling the increase of demand for electricity. In effect the PBSs were bearing the brunt of the poor performance of BPDB and Ministry officials who had very limited success in being able to improve the power generation situation and thus the PBSs were not allowed to expand their customer base and enhance reviews. It should be noted that since the moratorium has been lifted the addition of more consumers to the rural electric distribution system has exacerbated the power deficit situation in addition to challenging the ability of PBSs to recover the cost of service. The addition of new consumers could result in negative impacts on the financial condition of all the PBSs, and potentially jeopardize the long-term financial viability of many of the PBSs.

2.5 Additional Training

We have found that the thirst for knowledge among the groups we are visiting cannot be quenched with the amount of information, resources and time available. Most of our programs attempt to call the audience's attention to their rights, duties and responsibilities as board members, members and member services employees. Invariably we get asked; why can't you spend more time with us? Please tell us more!! Can you provide us with the instructions and by-laws in Bangla? (We are prioritizing these documents for translation.)

The need among the people is tremendous and REB recognizes this need but they do not have the resources to address the issue. While much of the training material (trainer and trainee manuals) is available (developed by NRECA) the manpower resources and institutional knowledge at REB are lacking. Providing and funding a complete training and education program for REB staff and PBS members at the REB Training Directorate and at local training sites is an area in which program partners can make a positive impact to the long term sustainability of the organizations.

SECTION 3: MATERIALS PROCUREMENT

3.1 Materials Procurement

3.1.1 REDP Bid Evaluation Procedures

As presented in previous reports, REDP team members continued to participate in bid preparation and evaluation process for materials procured with funds provided through DFID/REDP. It should be noted that the majority of REDP materials have been ordered and delivered. Two tenders with six sub-packages were processed during the October – December reporting period and all steps in the procurement process were diligently followed.

In compliance with its internal policies and procedures, and as planned under the REDP, REB was the sole responsible party to manage the bid evaluation process. The tender process was managed in compliance with GOB PPR 2003 requirements.

To comply with its role under REDP, the NRECA evaluation team performs a parallel bid evaluation process, without REB participation. The parallel bid evaluation facilitates an independent verification of results. The parallel bid evaluation processes conducted by REB and NRECA follow similar methodologies. Evaluations undertaken focus on the following steps:

- Determination of commercial responsiveness.
- Determination of financial responsiveness.
- Determination of technical responsiveness.
- Financial adjustments to bid evaluation prices where applicable for late delivery, capitalized cost of transformer losses and qualifying local preference.
- Detailed evaluation of pre-selected bids.
- Other adjustments as appropriate.
- Preparation of bid evaluation report for Tender Evaluation Committee and recommendations for contract award.

GOB PPR 2003 requires an evaluation committee to be established to review results of each respective procurement action. For purposes of the REDP-financed procurement packages, the REB Tender Evaluation Committee is responsible for reviewing the tender documents, documenting the results of the evaluation process, and submitting recommendations to the REB Board. The results are thereafter submitted to the Ministry of Energy prior to finalizing selected contracts. Contracts with values of up to Taka 120 million, (approximately USD 1.71 million) are evaluated and approved internally by the REB Board of Directors. The Ministry of Energy approval is required for contracts with values exceeding the REB financial authorization limits.

As was done throughout this process, NRECA representatives continued to attend the REB Tender Evaluation Committee (TEC) meetings as observers. While NRECA/REDP specialists participated in evaluations in the capacity of observers; decision making authority for all tenders rests with the REB TEC, with no NRECA/REDP direct participation. In compliance with REDP design, the NRECA/REDP team simply monitors the procurement processes.

In those cases wherein the REB TEC recommendation agrees with the NRECA independent evaluation, NRECA issues a formal “no objection” in response to the results of the TEC presented to the NRECA team. In most cases, TEC evaluation conclusions have agreed with NRECA independent evaluation results; the lowest price commercially acceptable bid was selected by REB for award of the contract. In those cases wherein the two results have not been in agreement, “no objection” statements have been withheld by the NRECA team. In these instances, NRECA presented detailed explanations to provide REB with guidance to resolve the differences that were noted in the two evaluations. While most of these cases have been resolved, some are still under review by REB. The status of the relevant sub-packages is presented in tables presented in Section 3.1.2.2.

3.1.2 REDP Bid Tendering and Evaluation Results

3.1.2.1 Project 9PBS (1st Tranche)

One bid sub-package worth \$ 0.9 million for the supply of submarine cable was subsequently included in the revised procurement plan by REB and was re-tendered with NRECA concurrence. Bids that were received from this re-tendering were under evaluation during the last quarter. The Tender Evaluation Committee (TEC) of REB recommended for awarding this bid to the lowest responsive bidder but the Board decided for re-tendering for the second time to which NRECA did not agree. NRECA requested that the Board reconsider its decision and accept TEC recommendation. At NRECA’s request the Board reconsidered their action and changed their decision, agreeing place the order with the lowest evaluated bidder.

3.1.2.2 Project 10Lac

REB advertised for 6 bid sub-packages worth USD 6.48 million during the last quarter. These bids were received and opened on October 28, 2009. The bids were then sent to committee for evaluation. The TEC of REB recommended awarding the contracts to the respective lowest evaluated bidders to which the Board of REB agreed. However, 3 of the sub-package amounts are beyond the financial approval capacity of the Board thus they will need formal approval of the Energy Ministry. The approval request has been submitted.

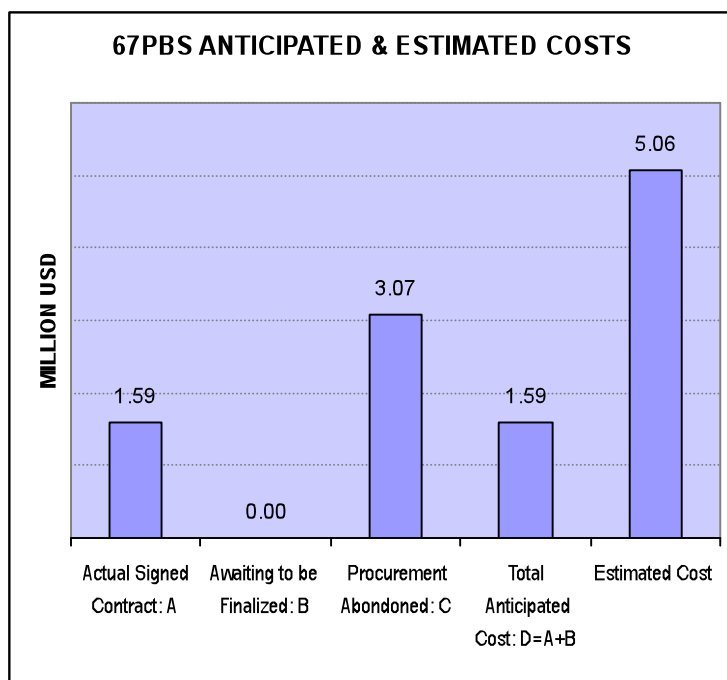
In the procurement plan of 10Lac project there was provision of procuring 650,000 single-phase meters and 20,000 three-phase meters. REB made the initial decision to purchase 10,500 three-phase meters and request NRECA to approach DFID to approve moving the balance of the funds available for the purchase of three-phase meters toward the purchase of approximately 250,000 single-phase meters at an approximate cost of USD 2.52 million. The need for single-phase meters throughout the rural electric system is much greater than the projected need for three-phase meters (usually associated with commercial / industrial accounts). Such a change will also provide REB with the meters necessary to connect the 1 million new customers targeted as part of the REDP. NRECA made the request to DFID for the transfer of funds to purchase the single-phase meters and DFID complied with the request. NRECA conveyed DFID’s ‘no objection’ to the request and REB is now revising the project proforma of 10Lac project for Energy Ministry’s approval. The meter procurement will now be last item secured with DFID funds under the 10Lac project.

Table 3.1.2.2 Summary of Commodity Procurement Status against REDP through December 2009

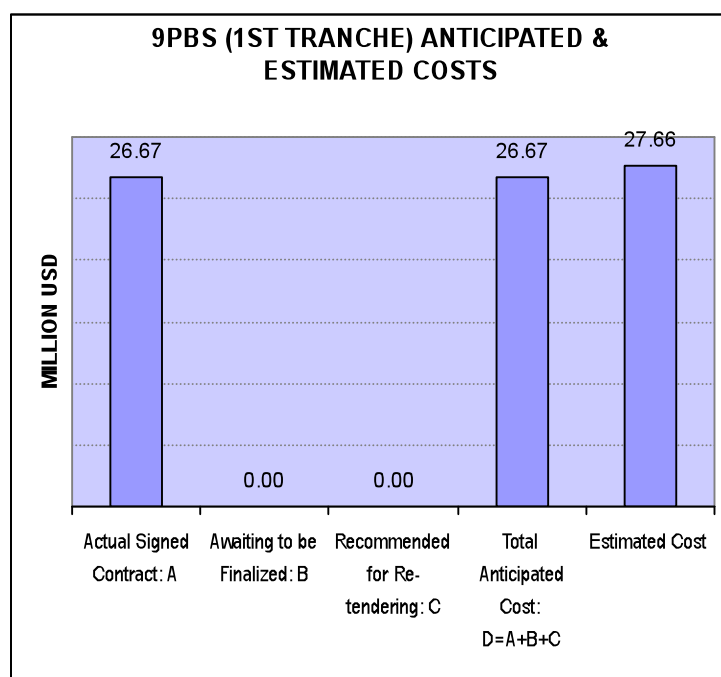
Item	Projects				
	67PBS	9PBS (1st Tranche)	9PBS (2nd Tranche)	9PBS (3rd Tranche)	10Lac
Available sub-package:					
Number	7	29	7	5	17
Estimated amount (Million USD)	5.064	27.664	14.291	5.109	12.55
Sub-package tendered:					
Number	7	29	7	5	17
Estimated amount (Million USD)	5.064	27.664	14.291	5.109	12.55
In % of total estimate	100%	100%	100%	100%	100%
Tendered sub-package under evaluation:					
Number	0	0	0	0	3
Estimated amount (Million USD)	0	0	0	0	6.141
In % of total estimate	0%	0%	0%	0%	49%
Tendered sub-package awarded:					
Number	4	18	5	5	11
Order amount (Million USD)	1.591	14.085	9.993	5.415	5.288
In % of total estimate	31%	51%	70%	106%	42%
Sub-package decided to be re-tendered:					
Number	3	11	2	0	3
Estimated amount (Million USD)	3.072	12.445	4.103	0	0.177
In % of total estimate	61%	45%	29%	0%	1%
Re-tendering of sub-package under process:					
Number	0	0	0	0	0
Estimated amount (Million USD)	0	0	0	0	0
In % of total estimate	0%	0%	0%	0%	0%
Re-tendered sub-package under evaluation:					
Number	0	0	0	0	0
Estimated amount (Million USD)	0	0	0	0	0
In % of total estimate	0%	0%	0%	0%	0%
Re-tendered sub-package awarded:					
Number	0	10	2	0	3
Order amount (Million USD)	0	12.587	4.831	0	0.198
In % of total estimate	0%	45%	34%	0%	2%
Sub-package abandoned:					
Number	3	0	0	0	0
Order amount (Million USD)	3.072	0	0	0	0
In % of total estimate	61%	0%	0%	0%	0%
PAYMENT SITUATION					
Amount ordered (Million USD):	1.591	26.672	14.824	5.415	5.486
Amount disbursed (Million USD):	1.56	25.035	11.728	5.154	4.176

The following graphs present information highlighting the US dollar amounts of the material purchases for the 67 PBS, 9PBS and 10 Lac procurements. The graphs show the dollar amounts of the contracts awarded, bids to be finalized and awarded, retendering amounts (loss of funds due to project closure prior to award – 67PBS) and the final projected costs compared to the initial project estimates.

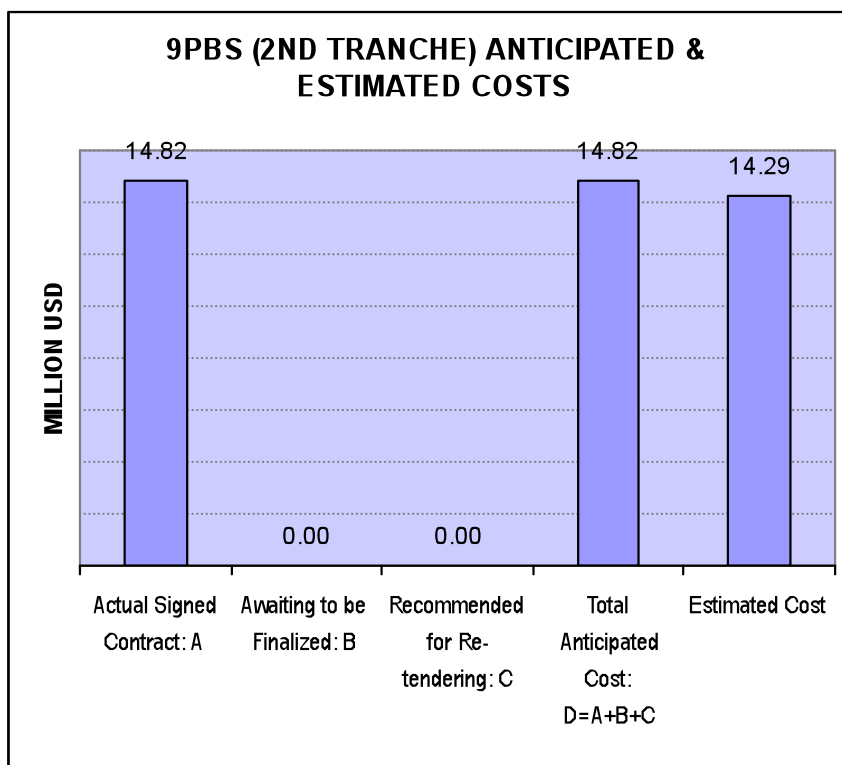
Graph 3.1.2.3: 67 PBS Materials Composition and Anticipated Contract Costs



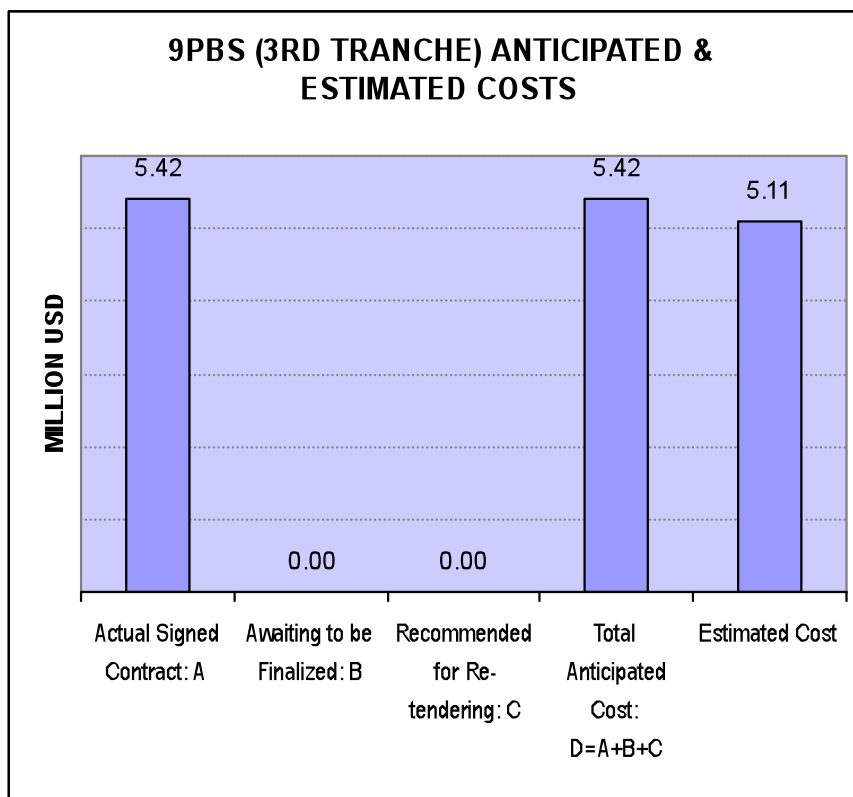
Graph 3.1.2.4: 9 PBS (1st Tranche) Materials Composition and Anticipated Contract Costs



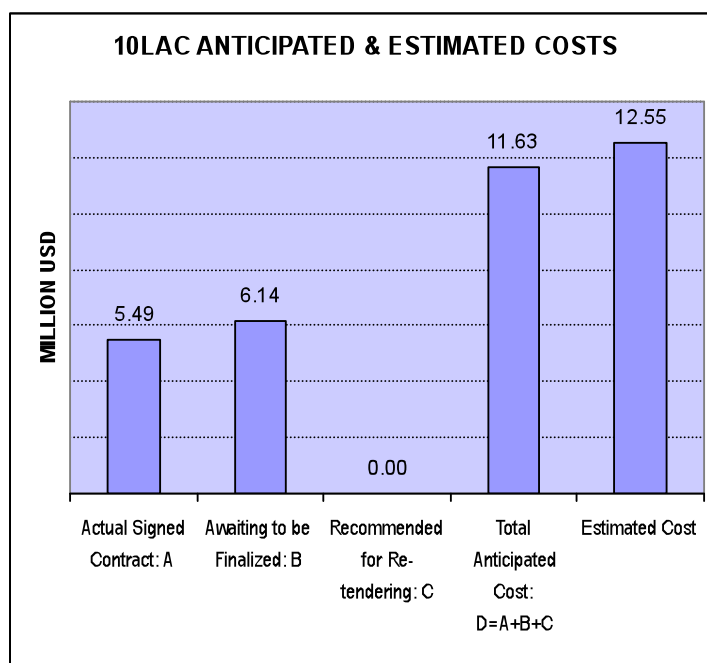
Graph 3.1.2.5: 9 PBS (2nd Tranche) Materials Composition and Anticipated Contract Costs



Graph 3.1.2.6: 9 PBS (3rd Tranche) Materials Composition and Anticipated Contract Costs



Graph 3.1.2.7: 10Lac Materials Composition and Anticipated Contract Costs



3.2 Materials Procurement – Second and Third Tranches

The second tranche of materials procurement process began in June, 2007. This second tranche has provided an opportunity to provide positive feedback to REB derived from the first tranche procurement, while also attempting to diminish remaining poorly defined bid conditions, while focusing on increasing bidder competition. The third tranche procurement commenced in July, 2008 and clearly shows improvement in the process as procurement decisions are made faster and effectively.

Core procurement monitoring topics were selected with REB during the first tranche of commodity procurement. During the last reporting period, the core requirements were consolidated for the second tranche of material procurement. As noted in previous quarterly reports, REB has agreed to NRECA recommendations to enhance competitive bidding into the procurement documentation.

From October to December 2009, REB evaluation results concurred with independent NRECA evaluation results. In those cases wherein NRECA provided recommendations to REB, the recommendations were accepted and integrated into evaluation reports. REB completed revisions to the bid documentation for second tranche materials; NRECA drafted letters confirming no objection for bid evaluation reports.

3.2.1 Bid Conditions and Compliance with Core Monitoring Requirements-Second Tranche

In general, material procurement conditions complied with GOB PPR, and bids were submitted in accordance with good international practice. For the most part, core monitoring topics were addressed by REB. These core monitoring topics related to:

- Bid Package Size
- Fair Conditions for Bidders
- Advertising

Conditions in the REB bid documentation reflected the monitoring requirements, while REB procurement personnel complied with and respected monitoring conditions. In particular, core monitoring conditions were observed by REB in the following manner:

Bid Package Value

The principal requirement is for the bid package financial value to be sufficiently high to attract international bidders. However, the limit of REB financial authority now is US\$ 3.5 million (previously it was US\$ 1.7 million); bid sub packages of values that exceed this value require Ministry of Energy approval. There is however no such bid package of value exceeding US\$ 3.5 million pending for disposal. Given the desire to expedite REDP materials procurement, NRECA recommended that bid package values be allowed to drop below USD \$1.7 million.

Fair Conditions for Bidders

Bid documents were formulated to include all information necessary for potential international bidders to equitably compete with domestic bidders.

Advertising

The procurement exercise was advertised in four national newspapers and on the GOB Technical Procurement Unit website. As a further aid to disseminating the procurement information to potential international bidders, NRECA requested that copies of the newspaper advertisement be concurrently distributed to embassies and high commissions in Dhaka.

3.2.2 Procurement Program

Following NRECA concurrence, procurement advertising is conducted in accordance with GOB PPR with circulation of notices to an appropriate number of newspapers. During the reporting period there was however no procurement advertisement made by REB.

In addition to newspaper advertisements, the procurement notices are also sent by REB to GOB Central Procurement Technical Unit website. Concurrent with the newspaper and website advertising, information about the procurement was also sent to the trade sections of diplomatic missions in Bangladesh.

SECTION 4: MONITORING OF MATERIALS USAGE

4.1 Monitoring Methodology

The following are the basic considerations for monitoring the usage of DFID funded materials:

Sub-Task 1: Storing DFID funded materials at Khulna Warehouse

- Assist Khulna warehouse personnel to improve storage conditions and methods for DFID-financed materials.
- Where practical, DFID materials will be segregated from existing REB materials.

Sub-Task 2: DFID funded Material at PBS

- Randomly monitor assignment of materials to construction contractors; evaluate if quantities disbursed are correct.

Sub-Task 3: Monitoring of Construction Work in 9 PBS.

- Comparison of detailed construction plans with master plans.
- Inspections of construction projects in each PBS.
- Compare material quantities issued with work completed.
- Monitor construction quality and compare with REB standards.
- Monitor category of customer connections with reference to DFID criteria.

Sub-Task 4: Monitoring of materials usage in 67 PBS and 10 lac customers.

- Monitor progress of construction works and compare with disbursement of DFID-financed materials.
- Check meter issues and compare with new customer connections.
- Randomly monitor issue and installation of DFID-financed meters.

4.2 Progress

We began the work of monitoring construction quality and comparing with REB standards toward the end of March 2009 in Brahmanbaria PBS. By engaging three (3) teams of two (2) people each, this phase of the project progressed satisfactorily and the evaluation was completed for all 9 PBSs by June. The data was entered into our computer data base and reviewed. The following four remaining PBSs were provided with feedback during the reporting period:

Table 4.2.1: Construction Verification

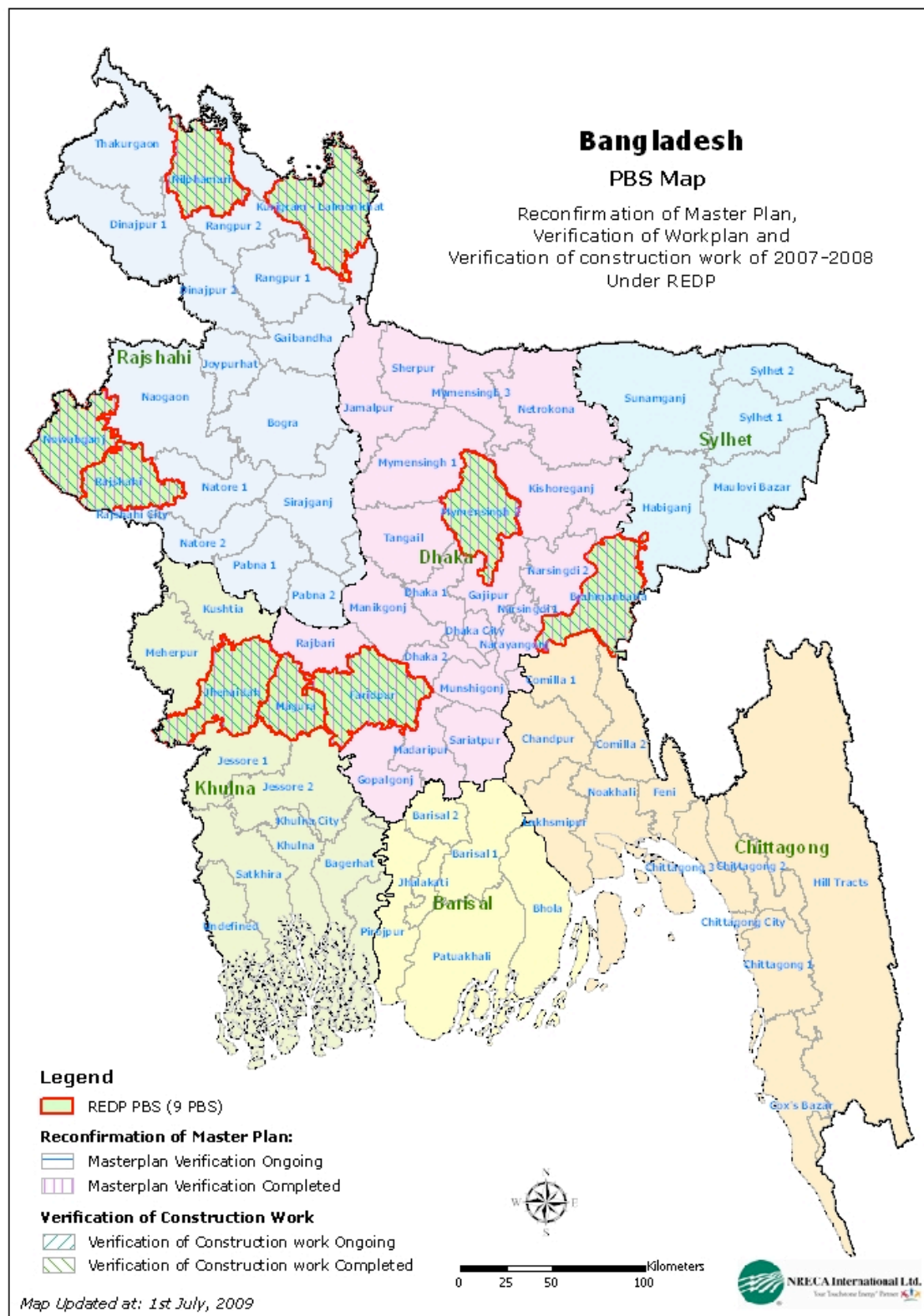
Sl. No.	PBS	Duration of Field Inspection	Inspected Lines	Inspected Poles	Date of Feedback to PBS
1	Kurigram	March 30 to April 28, 2009	89.11 Km	1583 Nos.	October 14, 2009
2	Brahmanbaria	March 15 to April 26, 2009	102.34 Km	2017 Nos.	October 15, 2009
3	Nawabganj	May 25 to June 16, 2009	53.54 Km	986 Nos.	October 28, 2009
4	Jhenaidah	June 17 to June 30, 2009	57.39 Km	993 Nos.	November 5, 2009

The overall line construction quality was found satisfactory; however, there were several locations where corrections need to be addressed. The PBSs were notified about the results along with details of specific errors noted in 'Line Inspection Forms' for taking further corrective action in the field.

A draft report has been prepared on Master Plan verification and construction supervision. The report will be finalized in the near future and submitted to DFID.

Map 4.2.2 (Reconfirmation of Master Plan)

The following map presents the final status of the reconfirmation of the Master Plan and field verification in the 9 PBSs.



SECTION 5: SOCIO ECONOMIC STUDY

5.1 Background

It has been documented in numerous studies that access to affordable and reliable electricity is a key requirement for both economic development and poverty reduction. The Government of Bangladesh's (GoB) Poverty Reduction Strategy Paper (PRSP) of October 2005 emphasizes the importance of rural electricity for creating employment. Improved electricity coverage, particularly in rural areas of Bangladesh, will help achieve the Millennium Development Goals (MDGs). The overall objective of the Socio Economic Study is to examine the social and economic impact of the REDP with emphasis on electric connections to poor and women led households.

As indicated in the Key Issues Section of this report, a number of significant actions, including power supply shortages, impinge significantly on the anticipated benefits of the REDP and the REB program in general. Field evaluations show clearly that households will go to great lengths to gain access to electric service, but small and medium-scale enterprises will be reluctant to make investments until and unless power supply improves in rural Bangladesh. The socio-economic survey is designed to quantify the impact of the REB program in general, and REDP in particular against the backdrop of challenges with power supply in rural Bangladesh.

5.2 Progress

The majority of activity regarding the socio-economic impact study of REDP focused on the continuation of the Brahmanbaria pilot project (micro-finance) study.

- Collection of the additional Brahmanbaria baseline data has been completed.
- Work continues on the compilation of the baseline data.
- Preparation work is beginning for the survey monitoring review which is planned for the February – April timeframe. Our staff will take the lead in these efforts assisted by HDRC personnel.

5.3 Micro-Finance Credit Program for the Poor

5.3.1 Background

The primary objective of the Micro-Finance Component of the REDP was to address the needs of disadvantaged households in rural Bangladesh by creating increased access to financing, thereby enabling households and small business to finance connection charges for PBS electric service. The rural poor were the main beneficiaries of this program. In addition, efforts were made to provide assistance to the extreme poor, such as single parent households or those with severely disabled family members. Traditionally, a rural household applies for an electrical connection only when they have the money to pay for the connection fee, as well as the cost of internal house wiring. In many cases, rural poor find PBS service connection and internal house wiring prohibitively expensive. This purpose of this task under REDP was to enhance the impact of the Rural Electrification Master Plan (2000-2020) on rural poor.

During annual and mid-term reviews of the REDP in October 2007 and 2008, a lack of coordination between the micro-finance program participants was identified. This lack of coordination severely limited the progress of the pilot project implementation led by Palli Karma-Sahayak Foundation (PKSF) and its partner Padakhep. It was determined that improving coordination specifically between Padakhep, Brahmanbaria PBS and REB was essential if this component was to make progress towards achieving the established project goals.

Following discussions with all stakeholders and at the request of DFID (and with the acknowledgment of USAID) NRECA was asked to take an active role in coordinating the work of the parties in an effort to ensure that the project stayed on track to meet or exceed program expectations. NRECA agreed to take a leadership role with notable progress being made.

5.3.2 Progress

The Microfinance component of the REDP was reviewed following the completion of the pilot project in Brahmanbaria. Representatives from DFID, the Pali Karma Sahayak Foundation (PKSF), Padakhep, the non-government organization (NGO) tasked with the marketing and servicing the micro-credit loans and NRECA reviewed the program projections and current status of the program. While all parties agreed that there have been many achievements made in terms of the provision of microcredit to a number of beneficiaries, the small number of actual electrical connections made under the pilot project (2,100) strongly suggested that the program will not meet original program projections. Following these evaluation sessions it was decided to support PKSF's decision to discontinue its involvement in the microfinance provision of REDP linked to providing loans to fund the electric connections for the extreme poor and female led households of rural Bangladesh. The loan program was discontinued in December 2008 and all accounts receiving financial assistance have been connected.

SECTION 6: PBS MEMBER AWARENESS EDUCATION AND BOARD DEVELOPMENT PROGRAM

6.1 Background

The primary objective of the PBS Member Awareness Education and Board Development (MAEBD) Program Task is to promote member/consumer participation levels throughout participating PBSs. The intended result is to empower membership to take responsibility for actions and decisions, as well to promote capacity building for PBS board members.

The focus of this task was to review previous member awareness programs undertaken in collaboration with REB and PBS by NRECA. From the outset of RE program in Bangladesh, NRECA has assisted REB to develop training programs to build capacity and to raise the awareness of member-consumers, as well as to build capacity of PBS Board members. The USAID-funded RPPR-II Program completed in September 2007 included a specific task to provide training assistance for both REB and PBS personnel including the development of effective curriculum materials for these programs.

The MAEBD Task involves working with the REB Training Directorate, as well as the REB Management Operations Directorates to ensure that the content and approach for these newly developed member education programs address specific PBS needs. At the PBS level, the PBS Member Services Departments are intended to involve themselves with implementation of member education programs. This component of REDP is focused on assisting REB and the PBSs to explore effective approaches to successful member and board orientation training, and assuring improved engagement of PBS Village Advisors. For PBS Board education programs, the REB Training Directorate and REB officers will be directly involved in the delivery of the programs while NRECA will assist with the development of effective curriculum materials.

After the development of the programs and initial implementation through the REB and PBSs, ongoing oversight and monitoring of this initiative will be incorporated into the overall Supervision and Monitoring Task. Progress

6.2 Progress

6.2.1 Staffing

Continuous progress was made in the hiring of additional local staff and international consultants including USAID's approval of our candidates for the HR and Communications Specialist Consultants.

- Mohammad Y. Malik Sakil (“Sakil”) from Laurel, Maryland will serve as our HR Specialist. Sakil was most recently employed as Director, International Development at the International Reading Association where he managed multi-million dollar grant funded projects around the world. Sakil is a development worker, manager, trainer, and facilitator with extensive experience in international organizations and management development. His experience covers a wide range of competencies including; policy advocacy, organizational development, gender and workforce development. As a development worker, he has a thorough understanding of cultural, political, economic and social issues in developing countries. Sakil obtained his Bachelor’s degree from the University of Dhaka, his Masters Degree in Economics from Aligarth University in India and is currently working on his Doctorate in International Education at the University of Maryland, College Park. Sakil, a native of Bangladesh, is fluent in five languages, Bengali, English, Hindi, Urdu, and Arabic. Sakil lives in Laurel with his wife Mary, son Shafin and daughter Samreen.

“Sakil” made his first visit to Bangladesh as part of our REDP team December 15-25. Sakil is joining us to review and evaluate current REB / PBS HR activity and develop a dialogue with RE program leaders in an effort to develop a plan to address HR needs as identified. We are looking forward to his insight and guidance in these critical areas of REB / PBS development.

- Bradley A. Gibson from Marysville, Ohio will serve as our Communications Specialist. Brad’s experience is in the electric cooperative business environment with specific expertise in cooperative communications and marketing. He currently serves as Vice-President of Communications and Marketing for Union Rural Electric Cooperative in Marysville. Brad has extensive experience in design and current electronic communication trends in web development and social media implementation; all of which will be beneficial to our work with REB and the PBSs as we focus on advancing various forms of communication for the RE Program in this developing country. He also has international experience having studied in Bangkok, Thailand. Brad holds a Master’s of Business Administration from the Fisher College of Business, The Ohio State University and a Bachelor of Science in Digital Design, College of DAAP, University of Cincinnati. He recently completed the NRECA Management Internship Program Certification at the University of Wisconsin. Welcome Brad!!!!

We also recently hired our local Program Advisor, Communications and Graphics Arts Specialists.

- Brigadier General M.A. Malek (Ret’d) joins us as a Rural Electrification Development Advisor (consultant position). Brig. Malek served as Special Assistant in charge of Post - Telecommunications and Social Welfare Ministry under the former Caretaker Government. He is a former Chairman of the Rural Electrification Board (REB) and the Power Development Board (PDB). During the Liberation War, he joined the Liberation Army as a Freedom Fighter. He has his BS in Engineering from Bangladesh University of Engineering and Technology (BUET). He previously worked with the REDP as a consultant for the Member Awareness and Education programs from April 2006 until December 2007. His contacts within government at the highest of levels will provide REDP and NRECA with excellent awareness and presence, providing a strong point of contact for all of our efforts within the Bangladesh RE program.
- Krishna Kamal Dey will be rejoining NRECA International Ltd. serving as our Communications Specialist. Kamal has extensive experience working in the RE Program having worked for NRECA in the Rural Power for Poverty Reduction (RPPR) I and II programs for eight years before having to take leave for medical reasons. He has extensive experience in the areas of; program facilitation, communications and training, the development of monitoring systems, leadership and team management, impact evaluations and research studies, data analysis and report writing. While with NRECA Kamal will be working closely with REB, PBS, consultants and current staff in evaluating REB/PBS publications and various public relations efforts. He will be developing new messages and methods to bring pertinent energy, safety and policy

information to the government, the public, REB and PBS members. Kamal holds both Bachelors and Masters Degrees in Economics.

- Md. Emdad Hossain joins us as our Graphics Design Specialist. Emdad's previous experience has been with various advertising firms developing a wide variety of print materials as well as taking the lead and performing event management. Emdad received his Bachelors Degree in Communications from Daulatpur College, Under National University, Khulna. He will be working across the REDP program to bring the handbooks, brochures, banners and other printed material to life.

We are very excited about the excellent quality of people we have attracted to the REDP team of employees.

6.2.2 Evolving Programs

When REDP first initiated the Member Awareness and Board Development program it was designed to serve all the people from the elite educated Board Members, teachers, head masters, and business men to the village advisors, wiring inspectors and farmers with information about the rural electrification program. Trying to serve everyone always omits someone or does not properly serve those included. The REDP Enhanced Scope of Work expanded the education and training component of the program requiring more information be delivered to specific groups; i.e. board members, village advisors, women etc. As a result, several new programs have been or are being developed. These revised programs more appropriately target information to the specific audiences. The programs include the following:

- Member Awareness / Education has been revised and directed toward teachers, head masters, business men; the more educated portion of the community otherwise known as the "elites" and is being conducted at various venues within each PBS. This program provides an in-depth look at the rural electrification in Bangladesh along with REB and the PBS system
- Strengthening the PBS Board and Member Services Department is aimed specifically with information that the Boards of Directors and Member Services Departments need to know to better serve the members. The basis of the course is taken directly from REB By-laws, ordinances, circulars, and policies.
- We are exploring venues to "reactivation" the Village Advisor groups throughout the PBS system. This group of consumers provides a direct conduit to PBS members and is a valuable communications resource. This proactive member contact will focus on members (not "elites") in the thanas and may include contacts during "market day" to attract the largest number of people. This local contact may lead to a "rally" or "procession" for PBS support and may include dramas, music and speeches. This type of activity may also include a variety of activities including information booths with PBS member services staff available to answer questions.
- A Gender Awareness workshop is planned to be conducted for REB and the PBSs. Gender awareness information will also be included in all programs. The underlying theme to these presentations will be to encourage female participation with PBS activities along with encouraging male acceptance of such participation / input.

6.2.3 Member Awareness

During the quarter of October thru December 2009, 15 Member Awareness workshops in 5 PBSs were presented with 807 attending of which 81 were female. The 100th presentation was held at Comilla PBS-2 the location of the pilot testing of this program.

- Six Member Awareness workshops were held at Gopalganj and Bagerhat PBSs with a total of 318 participating of which 30 were female. NRECA staff lead the effort with program Associate Reza Khusu participating for the first time to gain additional knowledge in electrical distribution

and the operations of the PBS. He also expanded his presentation skills. Our gender specialists attended several workshops and also visited with the PBS staff to gain more knowledge regarding the operation of the PBS and the role women play.

- Six Member Awareness workshops were held at Chittagong PBS-3 and Feni PBS with a total of 388 participating of which 30 were female. NRECA staff led the effort with our local communications specialist also attending to familiarize himself with program content in light of his evaluation of improving communications at the local level.
 - Members of various customer group NGOs were invited to attend. These invitations were extended in cooperation with the work of the Improved Capacity for Energy Access (ICEA) project. We believe that this sharing of information with these groups (who were vocal at the BERC rate hearings) while provide the foundation for ground level PBS support especially at future hearings of the BERC.
- Three Member Awareness workshops were held at Comilla PBS-2 with a total of 150 members participating of which 6 were female. In attendance were representatives from the Customer Group NGO and from the Upazila government office.
- On December 14th, we presented the 100th Member Awareness Workshop at Comilla PBS 2. The original pilot program was presented at this PBS several years ago. Special invitations were sent to USAID and DFID, as well as REB personnel, past and present.

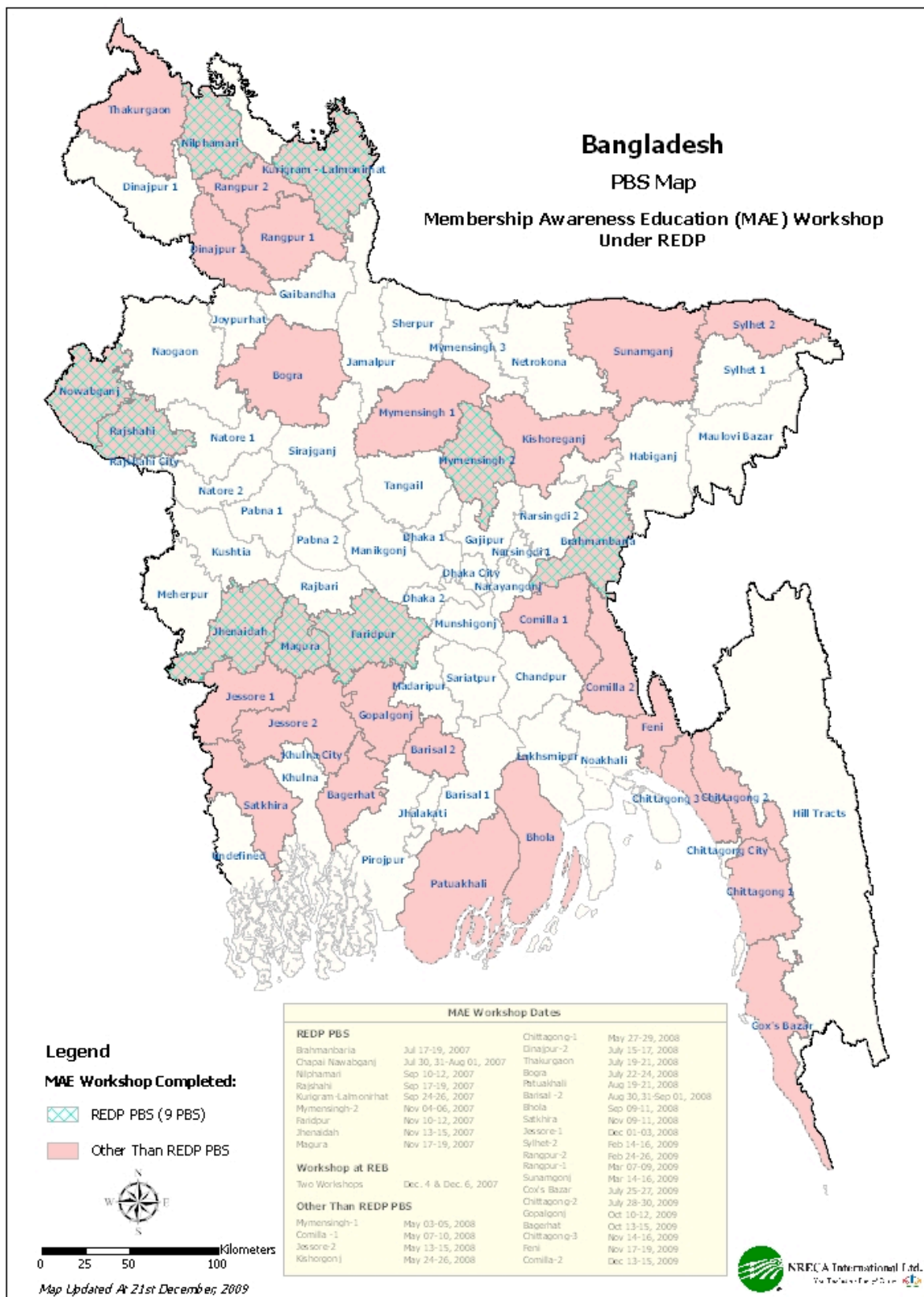
Details related to the various workshops conducted during this reporting period are listed in the following tables

Member Awareness Education Board Orientation Workshop Status
October through December 2009

Table 6.2.1

PBSs	Venues	Date	Number of Participants		
			Male	Female	Total
Gopalganj	PBS HQ	10/10	54	03	57
Gopalganj	Kotalipara BRDB Complex	10/11	50	09	59
Gopalganj	Maqusedpur TTDC-Center	10/12	52	05	57
Bagerhut	PBS HQ	10/13	50	05	55
Bagerhut	PBS HQ	10/14	37	03	40
Bagerhut	Fakirhat Upizila Complex	10/15	45	05	50
Chittagong PBS-3	Hatajari Upizila Complex	11/14	56	11	66
Chittagong PBS-3	PBS HQ	11/15	50	09	59
Chittagong PBS-3	Mirersorai Upizila Complex	11/16	59	06	65
Feni	PBS HQ	11/17	42	09	51
Feni	Fulgaza Youth Complex	11/18	46	04	50
Feni	Dagonbhuia Upizila Comp.	11/19	41	06	47
Comilla PBS-2	PBS HQ	12/13	49	02	51
Comilla PBS	PBS HQ	12/14	49	03	52
Comilla PBS	Laksam Upazila Complex	12/15	46	01	47
Grand Total: 5 PBS	13-Venues	15-Days	726	81	807

Map 6.2.1: Member Awareness and Education Workshops Completed



6.2.4 Board Development

The staff has completed a comprehensive strengthening plan for PBS Board of Directors in English and Bangla with handouts and related materials. This new program incorporates two workshops of one day each, held regionally for 2-3 PBSs. The workshops will be presented in two phases and we anticipate being able to hold the “dialogue” with the boards of all 70 PBSs by the close of the project.

Key program staff completed the course materials including outline, presentation, handout and proposed schedule. The program is targeted specifically with information that the Board of Directors need to know to better serve the members in these leadership positions. The basis of the course is taken directly from REB By-laws, ordinances, circulars, and policies.

The entire program materials were presented to the Chairman REB for review, comment and approval. Member, PBS & Training provided the circular announcing the program and directing all 70 PBSs to participate. Pilot programs are being conducted in each district to determine the level of impact and any program changes that may be required.

Five strengthening the PBS Board of Directors presentations were presented during the third program quarter to twelve PBSs with a combined total attendance of 266. 95% of the board members attended.

- NRECA staff conducted the first pilot program of Strengthening the PBS Board Phase 1 for Gajipur and Mymensingh PBS-2 on November 17-18 at Gajipur PBS and again on November 24-25, at Narsingdhi PBS-1 with Narsingdhi PBS-2 and Narayanganj PBS on Nov 24-25.
 - REB Member PBS & Training, Member Engineering, Director Training, were guests of honor for the first presentation at Gajipur. Participants totaled 117 of which thirteen were female.
- The program was held at Cox's Bazar PBS on December 7-8. Eleven of twelve board members participated including three female participants.
- Bagerhat PBS hosted the program for Khulna and Pirojpur PBSs on December 20- 21. The Board members attendance numbered 39 out of a possible 41 with seven 7 female board members.
- Barisal PBS-1 hosted the program for Barisal PBS-2 and Jhalakati PBS on December 23-24. Twenty-four of the twenty-six board members.

6.2.5 Member Services Department Development

The staff has completed a comprehensive strengthening plan for PBS Board of Directors in English and Bangla with handouts and related materials. This new program consists of one workshop the day immediately following the Board of Directors workshop. We anticipate being able to hold the “dialogue” with the member service departments of all 70 PBSs by the close of the project.

Key program staff completed the course materials including outline, presentation, handout and proposed schedule. The program is targeted specifically with information that the employees of the Member Services Department need to know to better serve the members. This course also draws directly upon the REB By-laws, ordinances, circulars, and policies.

The Member Services department participants include the Assistant General Manager, Member Services, Member Services Coordinator, Power Use Coordinators, Wiring Inspectors, and Junior Engineers from the Construction, Operations and Maintenance department.

The entire program materials were presented to the Chairman REB for review, comment and approval. Member, PBS & Training provided the circular announcing the program and directing all 70 PBSs to participate. Pilot programs are being conducted in conjunction with the board of directors program to determine the level of impact and any program changes that may be required.

Table 6.2.2 - Strengthening the PBS Board – A Dialogue - October through December 2009

PBSs	Venues	Date	Number of Participants Attended			
			Male	Female	Total	%
Gajipur & Mymensingh PBS-2	Gajipur	11/17	17	04	21	95.5
Narsingdhi PBS-1&2 and Narayangonj	Narsingdhi PBS-1	11/24	23	09	32	100
Cox's Bazar	Cox Bazar	12/07	08	03	11	91.6
Bagerhut, Kuhlina & Pirojpur	Bagerhut	12/20	32	07	39	95.1
Basisal PBS 1 & 2 and Jhalakati	Barisal PBS-1	12/23	20	04	24	92.3
Grand Total: 12 PBS	5-Venues	5-Days	99	27	126	95.5

Table 6.2.3 - Strengthening the Member Services Department – A Dialogue -October through December

PBSs	Venues	Date	Number of Participants Attended			
			Male	Female	Total	%
Gajipur & Mymensingh PBS-2	Gajipur	11/18	23	01	24	100
Narsingdhi PBS-1&2 and Narayangonj	Narsingdhi PBS-1	11/25	41	0	41	100
Cox's Bazar	Cox Bazar	12/08	15	0	15	100
Bagerhut, Kuhlina & Pirojpur	Bagerhut	21/21	36	0	36	100
Basisal PBS 1 & 2 and Jhalakati	Barisal PBS-1	12/24	24	0	24	100
Grand Total: 12 PBS	5-Venues	5-Days	139	1	140	100

6.2.6 Board of Directors Orientation Program

We participated in and worked alongside the REB Training Directorate on a five day orientation training program for the PBS Board of Directors held November 8-12. Our team provided the course materials and provided program support helping to facilitate the presentation when called upon to do so. Twenty-two PBS board members participated including eight female directors. The new Board of Director orientation manual was distributed.

Table 6.2.4 - Board of Directors' 5-day Orientation Course at REB Training Directorate through MAEBD Program October through December 2009

Course Duration		No. of Participants		
From	To	Male	Female	Total
August 16, 2009	August 20, 2009	14	8	22

6.2.7 Communications

To address the additional communication tasks identified in the Enhanced Scope of Work staff continues to evaluate the role of the Village Advisors in the RE program and develop a plan to best utilize the current communication network along with developing new ideas and methods to help the PBSs be more proactive in this area. These specific programs will focus on members (not “elites”) in the thanas and might include market day activities.

USAID’s America Week was held in Rajshahi December 6-8. NRECA staff designed banners, brochures and presentations. More than 2,000 pamphlets were distributed during the week and estimates of total attendance for the week totaled 5-6,000. A special REDP PowerPoint presentation was made to a full house of 40 people.

6.2.8 Gender Awareness

Gender specialists Ruhi and Shahana worked with representatives from Brahmanbaria PBS and Padakep NGO to identify personal stories of how lives have been changed by the electric connections that were provided by the REDP program and DFID.

We were asked by NRECA, USAID and DFID to provide stories about the micro-finance project to fund electric connections and wiring in the homes of the poor people. These stories may be used for a variety of purposes including marketing for the various organizations, donor information as well as informing the home countries of the success of the work in Bangladesh.

Six stories were provided. They included 5 stories about women and how their lives have been impacted in ways such as additional income generation assisted by electric lights for longer working hours. Better air quality provided by the electric light and fan and by not having to use kerosene lights and candles. Additional daily information gathered by watching television educational stories, news, children’s programs and entertainment from the dramas, movies and sports. One story told about the people of an entire village that was electrified and how the women enjoyed greater security and movement at night by the addition of electric lights.

The gender specialists created a gender awareness dialogue/program/workshop/shared experiences program (still not sure what to call it) for REB and the PBSs. Shahana completed a draft of a white paper regarding gender awareness and electricity, its uses and organizations such as the PBSs. Ruhi completed a draft of a Gender Awareness Guideline (draft) and hand note (Bangla materials) for conducting gender awareness programs. We hope have REB approval to pilot the programs in early April 2010.

- **United Nations Conference Engendering Gender Awareness in Energy Policy**

- REB Director Training requested REDP’s assistance in document and presentation preparation for the United Nations Asian Conference Engendering Gender Awareness in Energy Policy to be held in Bangkok November 23-25, 2009. The REDP team worked together to quickly pull together information necessary to present a comprehensive look at the work being done by REB, the PBSs and the REDP regarding gender awareness.

SECTION 7: REDP FINANCIAL

Table 7.1 Budget Information for Quarterly Report –October through December 2009 (includes additional funding provided by Contract Modification #4):

Total Summary Cost Elements	Total Amount Budgeted	Cumulative Thru Sept. - 09	Cumulative Thru Dec. - 09	Expenditure 3rd Qtr of FY 09-10	Balance Available Thru 2/28/11
Material and services					
Direct Labor	\$ 2,656,507	\$ 1,070,706	\$ 1,241,100	\$ 170,394	\$ 1,415,407
Indirect Costs	\$ 1,177,276	\$ 540,353	\$ 636,889	\$ 96,536	\$ 540,387
Other Costs					
- Travel	\$ 512,792	\$ 100,589	\$ 119,967	\$ 19,378	\$ 392,825
- Consulting	\$ 736,829	\$ 123,942	\$ 127,273	\$ 3,331	\$ 609,556
- Other Direct Costs	\$ 533,106	\$ 476,046	\$ 606,722	\$ 130,676	\$ (73,616)
Administration Allocated to Activities					
Summary of Total Costs	\$ 5,616,510	\$ 2,311,636	\$ 2,731,951	\$ 420,315	\$ 2,884,559
Fixed Fee	\$ 191,772	\$ 80,553	\$ 93,899	\$ 13,346	\$ 97,873
Total Costs Plus Fixed Fee	\$ 5,808,282	\$ 2,392,189	\$ 2,825,850	\$ 433,661	\$ 2,982,432